

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of: : CC Docket  
Petition of WorldCom, Inc., Pursuant : No. 00-218  
to Section 252(e) (5) of the :  
Communications Act for Expedited :  
Preemption of the Jurisdiction of the :  
Virginia State Corporation Commission :  
Regarding Interconnection Disputes :  
with Verizon Virginia, Inc., and for :  
Expedited Arbitration :  
:  
In the Matter of: : CC Docket  
Petition of Cox Virginia Telecom, Inc., : No. 00-249  
Pursuant to Section 252(e) (5) of the :  
Communications Act for Preemption :  
of the Jurisdiction of the Virginia :  
State Corporation Commission Regarding :  
Interconnection Disputes with Verizon :  
Virginia, Inc., and for Arbitration :  
:  
In the Matter of: : CC Docket  
Petition of AT&T Communications of : No. 00-251  
Virginia, Inc., Pursuant to Section :  
252(e) (5) of the Communications Act :  
for Preemption of the Jurisdiction :  
of the Virginia Corporation Commission :  
Regarding Interconnection Disputes with :  
Verizon Virginia, Inc. :  
- - - - - x Volume 9

Pages 2470 thru 2760

Washington, D.C.  
October 18, 2001

MILLER REPORTING COMPANY, INC.  
735 8th Street, S.E.  
Washington, D.C. 20003  
(202) 546-6666

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- - - - -	:	x Volume 9

Thursday, October 18, 2001  
Washington, D.C.

The hearing in the above-entitled matter  
came on, pursuant to Notice, at 9:40 a.m.

BEFORE:

DOROTHY ATTWOOD, Arbitrator

KATHERINE FARROBA, Staff

JEFFREY DYGERT, Staff

JOHN STANLEY, Staff

FCC Staff Members:

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CATHY CARPINO

WILLIAM KEHOE

PRAVEEN GOYAL

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JONATHAN REEL

PAUL MOON

JERRY STANSHINE

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## 1 P R O C E E D I N G S

2 MR. DYGERT: All right. If folks are  
3 ready, we will get ready for staff cross on the  
4 part of subpanel four that we did yesterday. For  
5 the record, I will indicate that those are issues  
6 IV-2, IV-4, IV-5, IV-6, and VI-1(A) through C. We  
7 had parties finish their cross last night, so  
8 Mr. Goyal will begin his.

## 9 QUESTIONS FROM STAFF

10 MR. GOYAL: Good morning. I would like to  
11 start with issue IV-2. The first set of questions  
12 I have is geared at trying to ascertain exactly  
13 what is still in dispute with respect to this  
14 issue. I know we went over that to some extent in  
15 the cross-examination with WorldCom yesterday, but  
16 I want to make sure we are all on the same page.

17 With respect to the language in WorldCom's  
18 proposed 1.2.7.2, excluding the first paragraph,  
19 there is a paragraph that begins with the heading  
20 "Two-way Interconnection Trunks" and reads, "Where  
21 trunks may be used under the terms of this  
22 agreement, et cetera.

1 Does everybody see that?

2 MR. GRIECO: Yes.

3 MR. GOYAL: Is there a dispute between the  
4 parties over the language in that paragraph? It  
5 seems to provide for mutual agreement on the number  
6 of two-way trunks, the interfaces to be used in  
7 economic CCS equal to five for overflow traffic, I  
8 assume.

9 Are the parties in agreement on that  
10 specific language?

11 The reason I ask is because I thought I  
12 saw similar language in the Verizon proposed  
13 contract, and I want to know whether there was  
14 anything in there that I should know about in terms  
15 of significant point of disagreement.

16 MR. ALBERT: Looks to me the language is  
17 the same. What's in the column marked "Verizon  
18 proposes," I think they match up.

19 MR. GOYAL: Okay. That was my  
20 understanding as well.

21 With respect to the language just before  
22 that, "Beginning on a semi-annual basis," that

1 seems to correspond with Verizon's proposed 2.4.2.

2 MR. ALBERT: Yes.

3 MR. GOYAL: And I believe, to my  
4 understanding, each photograph following those two  
5 paragraphs between the two parties' proposed  
6 contract language seem to match up; is that  
7 correct?

8 MR. ALBERT: Yeah, I think the three  
9 paragraphs there on I-10 of the joint document, I  
10 think those all map--

11 MR. GOYAL: 2.43, 2.44, and 2.45 of the  
12 proposed language?

13 MR. ALBERT: Correct.

14 MR. GOYAL: And does 2.46 of the Verizon  
15 proposal language match up with the first paragraph  
16 of the WorldCom proposed language on page 111? We  
17 don't have to necessarily go through this paragraph  
18 by paragraph, but what I was trying to establish or  
19 ascertain is whether the points of disagreement on  
20 this language are the language in 1.2.7.2 of  
21 WorldCom's proposed language, which does not match  
22 up with 2.2.3 of Verizon's proposed language.

1 That's a point of disagreement still remaining  
2 under this issue heading; correct?

3 MR. ALBERT: Yeah. Which issue is that?

4 MR. GOYAL: Issue IV-2, page 108 of the  
5 Joint Decision Point List.

6 MR. MONROE: Mr. Goyal, did you say  
7 1.2.7.2?

8 MR. GOYAL: That's what I see on page 108  
9 of the Joint Decision Point List.

10 MR. MONROE: Just by way of clarification,  
11 I was under the impression that Verizon accepted  
12 that language yesterday.

13 MR. GOYAL: Including that first  
14 paragraph? If that's correct, I want to make sure  
15 that is.

16 MR. EDWARDS: I think what happened  
17 yesterday is Mr. Monroe asked a question about  
18 that, and Mr. Albert indicated that was okay, that  
19 specific paragraph. I think that was in the  
20 context of whether WorldCom has the right to choose  
21 one-way or two-way trunks. The disagreement is  
22 whether--how that is done should be mutually agreed

1 or not.

2 MR. GOYAL: Okay. So, we are in agreement  
3 on that first paragraph of 1.2.7.2.

4 Is the only remaining outstanding issue of  
5 disagreement the compensation language in Verizon's  
6 proposed 2.4.13?

7 MR. EDWARDS: Let me clarify that a bit.  
8 On 1.2.7.2, it says "as specified by MCI." We are  
9 in agreement that if that means that MCI WorldCom  
10 chooses whether to use one-way or two-way trunks,  
11 we are in agreement on that. I hesitate to say  
12 that what you just said is the only language tat is  
13 in dispute because that still does not leave  
14 unresolved the language that Verizon has in 2.2.3  
15 where it says that how those trunks are to be  
16 provisioned is by mutual agreement.

17 MR. GOYAL: I suppose I'm glad Mr. Edwards  
18 makes that point because that helps me a little bit  
19 in understanding the nature of the disagreement.  
20 What confuses me is that I'm trying to figure out  
21 if the WorldCom and Verizon both agree that  
22 WorldCom can choose two-way trunking unilaterally;

1 and if they also agree, looking at the language  
2 below that first paragraph in 1.2.7.2, that they  
3 will mutually agree with respect to the number of  
4 trunks, the size of the trunks with respect to  
5 their interfaces, and the point of interconnection,  
6 what other point in Verizon's opinion for the  
7 implementation of two-way trunking would require  
8 mutual agreement? What other aspect of the  
9 implementation of two-way trunking should require  
10 mutual agreement? Because it seems to me that the  
11 language in the paragraph below 1.2.7.2 addresses a  
12 number of the provisioning details by saying that  
13 they're conditioned on mutual agreement.

14 Can Verizon respond for that? Sorry for  
15 the long-winded question.

16 MR. D'AMICO: Everything is outlined in  
17 the following language. And as we, I think, hit on  
18 yesterday, the only two open issues which are kind  
19 of global issues would be the 240 trunk thing,  
20 and--

21 MR. GOYAL: And the compensation language?

22 MR. D'AMICO: Right, Verizon's 2.4.13

1 versus, I guess, the last paragraph in the WorldCom  
2 language.

3 MR. GOYAL: Okay. I wanted to make sure  
4 that was what was going on.

5 MR. D'AMICO: Yep.

6 MR. GOYAL: Since we already addressed the  
7 240 trunk language, I believe, with respect to  
8 issue I-4, let's move on to the compensation  
9 issues.

10 Am I correct in understanding that under  
11 Verizon's proposed language WorldCom is responsible  
12 for all the recurring charges arising from two-way  
13 trunk facilities on WorldCom's side of WorldCom's  
14 IP under this language, as well as a share of the  
15 recurring charges arising from two-way trunk  
16 facilities proportionate to the two parties'  
17 respective traffic levels on the Verizon side of  
18 the IP; is that correct?

19 MR. D'AMICO: Yes.

20 MR. GOYAL: I want to understand how this  
21 language relates to the GRIPs language or the  
22 VGRIPs language under issue I.1.



1           Is the difference in treatment with  
2 respect to the traffic on Verizon's side of the IP  
3 the different treatment here as opposed to the  
4 VGRIPs language relating to the fact of the two-way  
5 trunking so they could share costs?

6           MR. D'AMICO: Yes.

7           MR. GOYAL: And WorldCom's language would  
8 have the parties share the costs respective to  
9 their corresponding traffic levels throughout the  
10 entire two-way trunk as opposed to solely on  
11 Verizon's side of the IP?

12          MR. D'AMICO: Yes.

13          MR. GRIECO: Right. Our proposal is a  
14 symmetrical proposal. Their proposal is  
15 asymmetrical proposal, in essence.

16          MR. GOYAL: I wanted to clarify the two  
17 parties' respective positions.

18               And those two-way trunks under WorldCom's  
19 proposed language for this issue, would they only  
20 be established over mid-span fiber meet  
21 interconnection facilities?

22          MR. GRIECO: No. The two things aren't

1 necessarily related.

2 MR. ALBERT: There are a number of  
3 different ways the transport could be provided that  
4 would carry the two-way trunks.

5 MR. GOYAL: In a situation where mid-span  
6 fiber meet point interconnection is used, how would  
7 the--under WorldCom's proposal, how would the  
8 recurring charges for that traffic be apportioned  
9 according to the respective parties' share of the  
10 traffic?

11 MR. GRIECO: In a mid-span meet, if we  
12 have two-way trunking riding across the mid-span  
13 and into Verizon's network to get--

14 MR. GOYAL: What would the recurring  
15 charges be and how would they be apportioned? I  
16 want to make sure I understand what's going on.

17 MR. GRIECO: My understanding is it's  
18 purely based on the percent of utilization of the  
19 trunk group.

20 MR. GOYAL: Okay. The reason I'm confused  
21 is because my understanding from the presentation  
22 of mid-span fiber meet point arrangements, for

1 example, in issue IV-6 is that WorldCom's position  
2 is there should be no compensation between the  
3 parties for the use of mid-span fiber meets because  
4 they're jointly provisioned interconnection  
5 facilities; right?

6 MR. GRIECO: Right, no charge for the  
7 facilities.

8 MR. GOYAL: What would the recurring  
9 chargings reflect? I'm just trying understand.  
10 Would it be reciprocal compensation?

11 MR. GRIECO: Yeah, it would be--all that  
12 is part of their compensation rate.

13 MR. GOYAL: I want to make sure.

14 Under Verizon's proposed language,  
15 WorldCom is responsible for half of the  
16 nonrecurring charges arising from the two-way trunk  
17 facilities on Verizon's side of the WorldCom's IP  
18 as well as for a hundred percent of the  
19 nonrecurring charges arising from two-way trunk  
20 facilities on WorldCom's side of the IP; is that  
21 correct?

22 MR. D'AMICO: Yes.

1 MR. GOYAL: And furthermore, until  
2 WorldCom establishes IPs at Verizon tandem offices  
3 or end offices, it's responsible for a hundred  
4 percent of the nonrecurring charges for two-way  
5 trunk facilities; is that correct?

6 MR. D'AMICO: Right. That's tied into the  
7 GRIP thing.

8 MR. GOYAL: Is that tied into GRIPS or  
9 VGRIPS?

10 MR. D'AMICO: I believe that would be  
11 VGRIPS because it's talking about the tandem.

12 MR. GOYAL: Would it also tie to GRIPS?

13 MR. D'AMICO: No, it wouldn't.

14 MR. GOYAL: It's just VGRIPS?

15 MR. D'AMICO: Yes.

16 MR. GOYAL: WorldCom now proposes that the  
17 nonrecurring charges be apportioned 50/50; correct?

18 MR. GRIECO: I believe so, yes.

19 MR. GOYAL: I believe in testimony  
20 yesterday, Mr. D'Amico, you testified that with  
21 respect to nonrecurring charges for installing  
22 two-way trunks, there could be corresponding

1 nonrecurring charges on WorldCom's side of the  
2 trunk interface that correspond to nonrecurring  
3 charges for trunk connections on Verizon's side of  
4 the two-way trunk interface; is that correct?

5 MR. D'AMICO: Yes.

6 MR. GOYAL: And would those associated  
7 costs correspond, if not in exact costs, then  
8 correspond in the function that they were  
9 reflecting? I don't know if I made that entirely  
10 clear. In other words, would there be associated  
11 costs on each side of the two-way trunk facility  
12 for the same functions?

13 MR. D'AMICO: I believe so. Again, I'm  
14 familiar with the connection into our switch, and I  
15 would assume it's the same function takes place on  
16 the CLEC side of the switch.

17 MR. GOYAL: Okay. In light of that  
18 testimony, can you explain why Verizon proposes the  
19 compensation arrangement it's proposed for  
20 nonrecurring charges with respect to two-way trunk  
21 facilities.

22 MR. D'AMICO: Well, under the way we put

1 in two-way trunks, Verizon is installing basically  
2 everything from the POI into Verizon's IP, so all  
3 the nonrecurring charges--you know, Verizon is  
4 basically doing all the work. So, when we  
5 established the two IPs, okay, we say Verizon IP is  
6 on the right and WorldCom IP is on the left. What  
7 we were trying to get at is say the portion in  
8 between the two is what the PPU and the 50 percent  
9 of the nonrecurring should apply to.

10           So, on the Verizon IP, the connection  
11 charges are the nonrecurring charges, and so we  
12 didn't view any nonrecurring charges occurring on  
13 the WorldCom side of the switch, and so that's why  
14 we--

15           MR. GOYAL: To the extent that WorldCom  
16 doesn't incur such costs on its side of the two-way  
17 trunk facilities, does Verizon believe that  
18 WorldCom would have the right to recover for those  
19 costs from Verizon?

20           MR. D'AMICO: Yes. If they were doing a  
21 function that Verizon wasn't doing--in other words,  
22 we weren't coming all the way up to the front

1 door--I guess there could some nonrecurring charges  
2 that would apply.

3 MR. GOYAL: So, would mid-span fiber meet  
4 arrangements be one situation where you wouldn't be  
5 coming all the way to the front door?

6 MR. D'AMICO: I guess that would be an  
7 example, yes.

8 MR. GOYAL: What would be the contrasting  
9 example where Verizon does come all the way to the  
10 door, such that WorldCom doesn't incur trunk  
11 charges on its side of the POI?

12 MR. D'AMICO: I guess if we went to their  
13 co-location cage under VGRIP, their IP is--their IP  
14 is that cage, so the work that's being done at  
15 their switch, I guess, if you will, which could be  
16 either in the LATA or somewhere outside of the  
17 LATA, we just viewed that as their responsibility  
18 beyond their side of the IP.

19 MR. GOYAL: With respect to both parties'  
20 proposed contract language under this issue, the  
21 compensation arrangements proposed for two-way  
22 trunk facilities, would those apply only to traffic

1 for which the parties would exchange reciprocal  
2 compensation, or would they also apply to, for  
3 example, access traffic?

4 MR. D'AMICO: When you say "access  
5 traffic," you mean intra-LATA toll billed as access  
6 traffic?

7 MR. GOYAL: Yes.

8 MR. D'AMICO: Yes.

9 MR. GOYAL: So, for intra-LATA toll billed  
10 as traffic, if that traffic is sent over a two-way  
11 trunk facility, Verizon would be compensated  
12 according to the language in 2.4.1.3 or compensated  
13 at access rates?

14 MR. D'AMICO: Again, the facilities are  
15 billed at access rates, so what this PPU is doing  
16 is accounting for the fact that Verizon is sending  
17 its traffic over those facilities.

18 So, in other words, it's not so much  
19 whether it's access or local. It's the fact that  
20 Verizon is using that facility to deliver its  
21 traffic, and it's going to be delivering  
22 either--reciprocal compensation traffic or



1 intra-LATA toll over that group.

2           So, if it's a hundred bucks for that  
3 facility, and WorldCom is sending 50 minutes that  
4 are either recip comp or intra-LATA toll to  
5 Verizon's numbers--

6           MR. GOYAL: Let's say 50 of each, what  
7 would happen?

8           MR. D'AMICO: Because we are using that  
9 facility for 50 percent of the utilization, we  
10 would ratchet down the billing and instead of  
11 billing a hundred dollars, we would only bill \$50  
12 because we are using that.

13           If we had separate one-way trunks they  
14 would pay for all of that, and we would pay for all  
15 of ours, so we are just combining the two. And the  
16 fact there's both recip comp and intra-LATA toll on  
17 that doesn't change the fact that you're just  
18 combining the two groups.

19           MR. GOYAL: Would Verizon bill for the two  
20 types of traffic that a reciprocal compensation  
21 traffic as opposed to the access traffic,  
22 differently, namely reciprocal compensation rates